Saskatchewan

Report of the Provincial Auditor to the Legislative Assembly of Saskatchewan

on the

1999 Financial Statements of CIC Subsidiary Crown Corporations

April 2000

Our vision

We envision effective, open and accountable government.

Our mission

We serve the people of Saskatchewan through the Legislative Assembly. We are committed to fostering excellence in public sector management and accountability.

Our values

As employees of the Office of the Provincial Auditor, we know our efforts and values determine whether our Office is successful. Our values guide our efforts and bind us together. We embrace the following values:

- **Accountability** – actively taking responsibility for and explaining our actions;
- **Credibility** – earning and keeping the respect and confidence of our stakeholders;
- **Equity** – being fair to others;
- **Professionalism** – being objective, independent and courteous, and acting with integrity;
- **Effectiveness** – achieving planned goals and objectives;
- **Leadership** – setting a good example and accomplishing positive results;
- **Innovation** – seeking better ways to achieve results;
- **Teamwork** – working together to achieve results; and
- **Balance** – respecting work, home and community responsibilities.

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Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

SASKATCHEWAN

Phone: (306) 787-6360
Fax: (306) 787-6383
Internet e-mail: strelioff@auditor.sk.ca

April 3, 2000

The Honourable R. Osika
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour to submit my *Report of the Provincial Auditor to the Legislative Assembly of Saskatchewan on the 1999 Financial Statements of CIC Subsidiary Crown Corporations* to be laid before the Legislative Assembly in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

Respectfully submitted,

Wayne Strelioff

Wayne Strelioff, CA
Provincial Auditor

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Purpose

The purpose of this Report is to inform the Legislative Assembly of our Office's views on the financial statements of subsidiary corporations of Crown Investments Corporation of Saskatchewan (CIC). We provide our views on the financial statements of Crown agencies other than CIC subsidiary Crown corporations in a separate report.

Background

The Assembly allows the Government to appoint auditors (appointed auditors) to examine and report on Crown agencies. The Provincial Auditor, however, retains overall responsibility for the audits of all Crown agencies.

In June 1994, the Task Force on the Roles, Responsibilities and Duties of Auditors recommended how the audit system for CIC and its subsidiary Crown corporations could function more efficiently and effectively. Our Office, CIC, CIC subsidiary Crown corporations and appointed auditors are using those recommendations to better serve the Assembly's needs.

The Task Force recommended we give the Assembly a report listing the CIC subsidiary Crown corporations in whose audits we participated.

The objectives of each audit are to form the following opinions and to report the results to the Assembly.

- An opinion on the rules and procedures used by the corporation to safeguard and control its assets and to ensure compliance with authorities pertaining to it. The audit is limited to those authorities relating to financial reporting, safeguarding assets, revenue raising, spending, borrowing and investing activities.
- An opinion on the corporation's compliance with those authorities.
- An opinion on the reliability of the corporation's financial statements.

Our *2000 Spring Report* will report the results of these audits as required by *The Provincial Auditor Act*. The appointed auditors' reports on the reliability of the CIC subsidiary Crown corporations' financial statements are attached to the respective financial statements.

CIC's consolidated financial statements include the financial results of CIC and its subsidiary Crown corporations. CIC's 1999 annual report includes our auditor's reports on CIC's consolidated and non-consolidated financial statements, and the non-consolidated financial statements of CIC Industrial Interests Inc.

Results

We participated in all audits of CIC subsidiary Crown corporations and related entities, except as noted in the following table.

In our opinion, for all audits we participated in and completed our work by the date of this Report, the financial statements are reliable.

The following table lists all CIC subsidiary Crown corporations and related entities, names the appointed auditor, sets out if we participated in the audit and states if the financial statements for the 1999 fiscal year are reliable.

Update to our April 1999 Report

In our report on 1998 financial statements, we indicated that our audit work on Saskatchewan Government Growth Fund Management Corporation was not completed at the date that report was prepared. Subsequently, we completed our work. In our opinion, the 1998 financial statements of Saskatchewan Government Growth Fund Management Corporation are not reliable. We explain our views on those financial statements in our *1999 Spring Report*.

Crown Agency	Appointed Auditor	Provincial Auditor	
		Participated in Audit	Financial Statements are Reliable
CIC Pulp Ltd.	Ernst & Young	Yes	Yes
Genex Swine Group Inc.,	PricewaterhouseCoopers	Yes	Yes
Western Canadian Beef Packers Inc.	PricewaterhouseCoopers	Yes	Yes
Capital Pension Plan	KPMG	Yes	Yes
SaskEnergy Incorporated	Ernst & Young	Yes	Yes
TransGas Limited	Ernst & Young	Yes	Yes
Many Islands Pipe Lines (Canada) Limited	Ernst & Young	Yes	Yes
Bayhurst Gas Limited	Ernst & Young	Yes	Yes
SaskEnergy International Incorporated	Ernst & Young	Yes	Yes
SaskEnergy Chilean Holdings I Ltd.	Ernst & Young	Yes	Yes
SaskEnergy Chilean Holdings II Ltd.	Ernst & Young	Yes	Yes
SaskEnergy Chilean Holdings Limitada	Ernst & Young	Yes	Yes
Saskatchewan Development Fund Corporation	Hill McKillop	Yes	Yes
Saskatchewan Development Fund	Hill McKillop	Yes	Yes
Saskatchewan Forest Products Corporation	PricewaterhouseCoopers	Yes	Yes
Saskatchewan Government Growth Fund Management Corporation	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund II Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund III Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund IV Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund V (1997) Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund VI Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund VII Ltd.	Deloitte & Touche	Yes	Yes
Saskatchewan Government Growth Fund VIII Ltd.	Deloitte & Touche	Yes	Yes
617275 Saskatchewan Ltd.	*		
Saskatchewan Government Insurance	KPMG	Yes	Yes
SGI Canada Insurance Services Ltd.	KPMG	Yes	Yes
Saskatchewan Government Insurance Superannuation Plan	KPMG	Yes	Yes
Saskatchewan Opportunities Corporation	Hill McKillop	Yes	Yes
Saskatchewan Power Corporation	Ernst & Young	Yes	Yes
SaskPower International Inc.	Ernst & Young	Yes	Yes
Power Greenhouses Inc.	Ernst & Young	Yes	Yes
Northern Enterprise Fund Inc.	Ernst & Young	Yes	Yes
Power Corporation Superannuation Plan	Ernst & Young	Yes	Yes
Saskatchewan Telecommunications Holding Corporation	Deloitte & Touche	Yes	Yes
Saskatchewan Telecommunications	Deloitte & Touche	Yes	Yes
Saskatchewan Telecommunications International Inc.	Deloitte & Touche	Yes	Yes
SaskTel Telecommunications Consulting Inc.	*		
Battleford International Inc.	*		
SaskTel Holding (U.K.) Inc.	*		
SaskTel Holding (New Zealand) Inc.	*		
SaskTel New Media Fund Inc.	*		
SecurTek Monitoring Solutions Inc.	*		
620064 Saskatchewan Ltd.	*		
Avonlea Holding, Inc.	*		
3339807 Canada Ltd.	*		
3364381 Canada Ltd.	*		
DirectWest Publishing Partnership	*		
604406 Saskatchewan Ltd.	*		
Hollywood at Home Inc.	*		
Hospitality Network of Canada	Deloitte & Touche	**	
3231518 Canada Ltd. (Click-a-bid)	*		
SaskTel Data Exchange Inc.	*		
Information Queries and Analysis Partnership	Deloitte & Touche	**	
Saskatchewan Telecommunications Employees' Superannuation Plan	Deloitte & Touche	Yes	Yes

Crown Agency	Appointed Auditor	Provincial Auditor	
		Participated in Audit	Financial Statements are Reliable
Saskatchewan Transportation Company	PricewaterhouseCoopers	Yes	Yes
Saskatchewan Water Corporation	PricewaterhouseCoopers	Yes	Yes

* Audited financial statements are not prepared for these companies
** Audited financial statements are prepared for these companies. We participated in the audit of the financial results as included in the financial statements of Saskatchewan Telecommunications Holding Corporation